

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SHELBY ENERGY COOPERATIVE, INC. PASS-)	
THROUGH OF EAST KENTUCKY POWER)	CASE NO.
COOPERATIVE, INC. WHOLESALE RATE)	2010-00181
ADJUSTMENT)	

O R D E R

On May 27, 2010, Shelby Energy Cooperative, Inc. ("Shelby") submitted an application to pass through any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc. ("EKPC") in Case No. 2010-00167.¹ Shelby submitted its application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007, Sections 1(3) and 2(2).²

In its application, Shelby described how its proposed pass-through rates were developed:

Shelby Energy Cooperative, Inc. hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.

¹ Case No. 2010-00167, Application of East Kentucky Power Cooperative, Inc. for General Adjustment of Electric Rates (Ky. PSC Jan. 14, 2011).

² Shelby revised its application on August 19, 2010 after receiving a rate increase in Case No. 2009-00410, Application of Shelby Energy Cooperative, Inc. for an Adjustment of Rates (Ky. PSC Jul. 27, 2010).

KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or decrease are allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. Further, 807 KAR 5:007, Section 2(2), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not alter the rate design currently in effect and that the revenue change has been allocated to each class and within each tariff on a proportional basis.

The Commission has reviewed the approach proposed by Shelby to pass through the increase in the wholesale rates of EKPC and to allocate such increase to its retail rates. Based upon this review, the Commission finds that Shelby's approach complies with the provisions of KRS 278.455(2) and 807 KAR 5:007, Section 2(2), and, therefore, should be accepted.

The Commission issued an Order today in Case No. 2010-00167 authorizing a \$43 million annualized increase in EKPC's wholesale rates effective for service rendered on and after today's date. According to Shelby, this will increase its wholesale power cost by \$1,590,714 annually.³

IT IS THEREFORE ORDERED that:

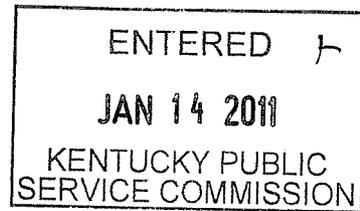
1. The proposed rates submitted with Shelby's application are rejected.
2. The approach proposed by Shelby to allocate its portion of the increase in wholesale rates authorized in Case No. 2010-00167 is accepted.

³ Supplemental Information filed by Shelby on December 9, 2010, Item 2.

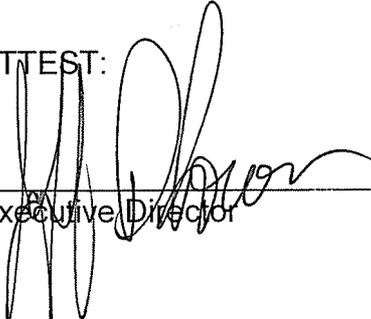
3. The rates set forth in the tariff sheets in the Appendix hereto are approved for service rendered on and after the date of this Order.

4. Within 20 days of the date of this Order, Shelby shall file its revised tariffs with the Commission setting out the rates approved herein and stating that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00181 DATED JAN 14 2011

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 5
1st Revised Sheet No. 105

Shelby Energy Cooperative, Inc.
Shelbyville, KY
Name of Issuing Corporation

Cancelling P.S.C. No. 5
Original Sheet No. 105

CLASSIFICATION OF SERVICE							
RESIDENTIAL SERVICE - RATE 12	Rate Per Unit						
<p><u>AVAILABILITY</u></p> <p>Available for residential homes for loads below 50 kW, subject to the established Rules and Regulations</p>							
<p><u>TYPE OF SERVICE:</u></p> <p>Single phase service for residential dwellings.</p>							
<p><u>MONTHLY RATE:</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Consumer Facility Charge:</td> <td style="width: 10%; text-align: right;">\$ 10.14</td> <td style="width: 20%; text-align: center;">(I)</td> </tr> <tr> <td>Energy Charge per kWh:</td> <td style="text-align: right;">\$ 0.09525</td> <td style="text-align: center;">(I)</td> </tr> </table>		Consumer Facility Charge:	\$ 10.14	(I)	Energy Charge per kWh:	\$ 0.09525	(I)
Consumer Facility Charge:	\$ 10.14	(I)					
Energy Charge per kWh:	\$ 0.09525	(I)					
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge under this schedule shall be the consumer facility charge. Where it is necessary to extend or reinforce existing facilities, the minimum charge may be increased to assure adequate compensation for added facilities.</p>							
<p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 10% higher. In the event the current monthly is not paid by the due date as shown on the bill, the gross rate shall apply.</p>							

DATE OF ISSUE August 19, 2010

DATE EFFECTIVE; January 7, 2011

ISSUED BY _____
Name of Officer

TITLE: President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2010-00181 Dated

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
10th Revised Sheet No. 15

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
9th Revised Sheet No. 15

CLASSIFICATION OF SERVICE		Rate Per Unit
OFF-PEAK RETAIL MARKETING RATE (ETS)		
<u>AVAILABILITY OF SERVICE:</u>		
<p>This special marketing rate is made as an attachment to Rate 12 and all other terms of that rate apply except those covered here. It is available for specific marketing programs as approved by Shelby Energy's Board of Directors.</p> <p>The electric power furnished under this marketing program shall be separately metered for each point of delivery and is applicable during the below listed off-peak hours. This rate is available to customers already receiving service under Rate 12. This marketing rate applies only to programs which are expressly approved by the Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule E.</p>		
<u>Months</u>	<u>Hours Applicable - EST</u>	
May through September	10:00 P.M. to 10:00 A.M.	
October through April	12:00 Noon to 5:00 P.M. 10:00 P.M. to 7:00 A.M.	
<u>Rates</u>		
The energy rate for this program is as listed below:		
All kWh	\$0.06782 per kWh	(1)

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Form for filing Rate Schedule

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 8th Revised Sheet No. 5
 Canceling P.S.C. No. 5
 7th Revised Sheet No. 5

Shelby Energy Cooperative, Inc.
Shelbyville, KY
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE		Rate Per Unit									
LARGE POWER SERVICE - RATE 2											
<p><u>AVAILABILITY</u></p> <p>Available to all consumers whose kW demand shall be greater than 50 kW including residential and farm consumers who do not qualify under availability of service under Rate 12 or Rate 11 respectively, located on or near Seller's line for all types of usage, subject to the established Rules and regulations of Seller.</p> <p><u>TYPES OF SERVICE:</u></p> <p>Three phase, 60 Hertz, available at Seller's standard voltage.</p> <p><u>MONTHLY RATE:</u></p> <table border="0"> <tr> <td>Consumer Charge per Month</td> <td>\$ 52.18</td> <td>(I)</td> </tr> <tr> <td>Demand Charge per kW of billing demand</td> <td>\$ 5.17</td> <td>(I)</td> </tr> <tr> <td>Energy Charge per kWh for all kWh</td> <td>\$ 0.07099</td> <td>(I)</td> </tr> </table>		Consumer Charge per Month	\$ 52.18	(I)	Demand Charge per kW of billing demand	\$ 5.17	(I)	Energy Charge per kWh for all kWh	\$ 0.07099	(I)	
Consumer Charge per Month	\$ 52.18	(I)									
Demand Charge per kW of billing demand	\$ 5.17	(I)									
Energy Charge per kWh for all kWh	\$ 0.07099	(I)									

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 Case No. 2010-00181 Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 5
9th Revised Sheet No. 9

Shelby Energy Cooperative, Inc.
Shelbyville, KY
Name of Issuing Corporation

Canceling P.S.C. No. 5
8th Revised Sheet No. 9

CLASSIFICATION OF SERVICE			
Outdoor and Street Lighting - Rate 3			Rate Per Unit
<u>AVAILABILITY:</u>			
Available to all consumers of the Cooperative, subject to the Rules and Regulation:			
<u>TYPE OF SERVICE:</u>			
Cooperative will furnish, install, and maintain at no extra expense to the consumer, a lighting unit, in accordance with the rate schedule and conditions of service below. Cooperative will make all necessary electrical connections and furnish electricity for same which shall be controlled by a photocell to energize the unit from dusk to dawn.			
<u>RATES:</u>			
	Type of Fixtures		
A.	HPS (High Pressure Sodium) 100 Watt Security Light	\$ 9.69	(l)
B	HPS (High Pressure Sodium) 100 Watt Decorative Colonial Light	\$ 12.94	(l)
	HPS (High Pressure Sodium) 400 Watt Directional Flood and Security and Street Light	\$ 20.25	(l)
	HPS (High Pressure Sodium) 250 Watt Directional Flood and Security and Street Light	\$ 14.46	(l)
	HPS (High Pressure Sodium) 150 Watt Decorative Acorn Light	\$ 15.54	(l)

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Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
7th Revised Sheet No. 17

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Cancelling P.S.C. NO. 5
6th Revised Sheet No. 17

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE - SCHEDULE B1	Rate Per Unit
<u>AVAILABILITY:</u>	
Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract demand.	
<u>MONTHLY RATE:</u>	
Consumer Charge	\$ 614.28 (1)
Demand Charge per KW of Contract Demand	\$ 6.18 (1)
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 8.98 (1)
Energy Charge per kWh	\$ 0.05900 (1)
<u>BILLING DEMAND:</u>	
The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:	
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.
May through September	10:00 A.M. to 10:00 P.M.

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Name of Officer

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Case No. 2010-00181 Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
7th Revised Sheet No. 20

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
6th Revised Sheet No. 20

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE - SCHEDULE B2	Rate Per Unit
<u>AVAILABILITY:</u>	
Applicable to contracts with demands of 5,000 to 9,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract demand.	
<u>MONTHLY RATE:</u>	
Consumer Charge	\$ 1,227.41 (1)
Demand Charge per KW of Contract Demand	\$ 6.18 (1)
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 8.98 (1)
Energy Charge per kWh	\$ 0.05326 (1)
<u>BILLING DEMAND:</u>	
The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:	
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
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May through September	10:00 A.M. to 10:00 P.M.

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Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
7th Revised Sheet No. 23

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
6th Revised Sheet No. 23

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE - SCHEDULE B3	Rate Per Unit
<u>AVAILABILITY:</u>	
Applicable to contracts with demands of 10,000 kW and over with a monthly energy usage equal to or greater than 400 hours per kW of contract demand.	
<u>MONTHLY RATE:</u>	
Consumer Charge	
Transformer Size of 10,000 - 14,999 kVa	\$ 3,421.59 (1)
Transformer Size of 15,000 kVa and greater	\$ 5,430.92 (1)
Demand Charges per kW	
Contract Demand	\$ 6.18 (1)
Billing Demand in Excess of Contract Demand	\$ 8.98 (1)
Energy Charge per kWh	\$ 0.05210 (1)
<u>BILLING DEMAND:</u>	
The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The consumer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:	
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.
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Case No. 2010-00181 Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
7th Revised Sheet No. 26

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
6th Revised Sheet No. 26

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE - SCHEDULE C1	Rate Per Unit
<u>AVAILABILITY:</u>	
Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer.	
<u>MONTHLY RATE:</u>	
Consumer Charge	\$ 614.28 (1)
Demand Charge per KW of billing demand	\$ 6.18 (1)
Energy Charge per kWh	\$ 0.05900 (1)
<u>BILLING DEMAND:</u>	
The monthly billing demand shall be the greater of (a) or (b) listed below:	
(a) The contract demand	
(b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:	
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.
May through September	10:00 A.M. to 10:00 P.M.

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ISSUED BY _____
Name of Officer

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Case No. 2010-00181

Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
7th Revised Sheet No. 29

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Cancelling P.S.C. No. 5
6th Revised Sheet No. 29

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE - SCHEDULE C2	Rate Per Unit
<u>AVAILABILITY:</u>	
Applicable to contracts with demands of 5,000 to 9,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer.	
<u>MONTHLY RATE:</u>	
Consumer Charge	\$ 1,227.41 (1)
Demand Charge per KW of Billing Demand	\$ 6.18 (1)
Energy Charge per kWh	\$ 0.05326 (1)
<u>BILLING DEMAND:</u>	
The monthly billing demand shall be the greater of (a) or (b) listed below:	
(a)	The contract demand
(b)	The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.
May through September	10:00 A.M. to 10:00 P.M.

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DATE EFFECTIVE: January 7, 2011

ISSUED BY _____
Name of Officer

TITLE President & CEO

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Case No. 2010-00181

Dated

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
7th Revised Sheet No. 32

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
6th Revised Sheet No. 32

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE - SCHEDULE C3

**Rate
Per Unit**

AVAILABILITY:

Applicable to contracts with demands of 10,000 kW and over with a monthly energy usage equal to or greater than 400 hours per kW of contract demand.

MONTHLY RATE:

Consumer Charge			
Transformer Size of 10,000 - 14,999 kVa	\$	3,421.59	(1)
Transformer Size of 15,000 kVa and greater	\$	5,430.92	(1)
Demand Charge per kW	\$	6.18	(1)
Energy Charge per kWh	\$	0.05210	(1)

BILLING DEMAND:

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

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ISSUED BY _____ TITLE President & CEO
Name of Officer

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Case No. 2010-00181 Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
10th Revised Sheet No. 39

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
9th Revised Sheet No. 39

CLASSIFICATION OF SERVICE																
OPTIONAL T-O-D DEMAND - RATE 22	Rate Per Unit															
<p><u>AVAILABILITY:</u></p> <p>Available to all consumers whose KW demand shall be greater than 200 KW, including consumers who do not qualify under availability of service under Rate 1 or Rate 10, located on or near Seller's line for all types of usage, subject to the established Rules and Regulations of Seller.</p> <p><u>TYPES OF SERVICE:</u></p> <p>Three -phase, 60 Hertz, available at Sellers's standard voltage</p> <p><u>RATE:</u></p> <p><u>Consumer Charge</u></p> <p style="padding-left: 40px;">\$45.92</p> <p><u>Demand Charge</u></p> <p style="padding-left: 40px;">\$5.17 per month per KW of billing demand</p> <p><u>Energy Charge</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">First</td> <td style="width: 40%;">100 kWh per KW demand</td> <td style="width: 10%;">\$ 0.07986</td> <td style="width: 20%;">per kWh</td> <td style="width: 10%; text-align: right;">(1)</td> </tr> <tr> <td>Next</td> <td>100 kWh per KW demand</td> <td>\$ 0.07346</td> <td>per kWh</td> <td style="text-align: right;">(1)</td> </tr> <tr> <td>All Over</td> <td>200 kWh per KW demand</td> <td>\$ 0.06708</td> <td>per kWh</td> <td style="text-align: right;">(1)</td> </tr> </table>		First	100 kWh per KW demand	\$ 0.07986	per kWh	(1)	Next	100 kWh per KW demand	\$ 0.07346	per kWh	(1)	All Over	200 kWh per KW demand	\$ 0.06708	per kWh	(1)
First	100 kWh per KW demand	\$ 0.07986	per kWh	(1)												
Next	100 kWh per KW demand	\$ 0.07346	per kWh	(1)												
All Over	200 kWh per KW demand	\$ 0.06708	per kWh	(1)												

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Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 5

1st Revised Sheet No. 103

Shelby Energy Cooperative, Inc.
Shelbyville, KY

Cancelling P.S.C. No. 5

Original Sheet No. 103

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
GENERAL SERVICE - RATE 11	Rate Per Unit
<u>AVAILABILITY</u>	
Available for commercial, small power and non-residential purposes for single phase and three phase loads below 50 kW, subject to the established Rules and Regulations.	
<u>TYPE OF SERVICE:</u>	
Single phase and three phase, 60 Hertz, at available secondary voltage.	
<u>MONTHLY RATE:</u>	
Consumer Facility Charge:	
Single Phase Service	\$ 13.03 (I)
Three Phase Service	\$ 33.88 (I)
Energy Charge per kWh:	\$ 0.09684 (I)
<u>MINIMUM MONTHLY CHARGE:</u>	
The minimum monthly charge under this schedule shall be the consumer facility charge. Where it is necessary to extend or reinforce existing facilities, the minimum charge may be increased to assure adequate compensation for added facilities.	
<u>TERMS OF PAYMENT:</u>	
The above rates are net; the gross rates are 10% higher. In the event the current monthly is not paid by the due date as shown on the bill, the gross rate shall apply.	

DATE OF ISSUE August 19, 2010

DATE EFFECTIVE; January 7, 2011

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Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
4th Revised Sheet No. 60

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

P.S.C. NO. 5
3rd Revised Sheet No. 60

CLASSIFICATION OF SERVICE	
SPECIAL OUTDOOR LIGHTING SERVICE - RATE 33	Rate Per Unit
<p><u>AVAILABILITY:</u></p> <p>This schedule is available to any consumer requesting luminaries for dusk to dawn outdoor or street lighting service of a type not provided for under other rate schedules, and is subject to the established Rules & Regulations of the Cooperative.</p> <p><u>TYPE OF SERVICE:</u></p> <p>The Cooperative will install and maintain automatic outdoor or street lighting of the desired type by the consumer, single phase, 60 Hertz at available secondary voltage.</p> <p><u>RATES:</u></p> <p>The monthly charge will be the sum of items (1) and (2) below.</p> <p>1. The Energy Rate for each type of lamp shall be \$ 0.06700 per kWh as determined by the following formula:</p> <p style="padding-left: 40px;">Monthly Rated kWh = (4100 hours per year X Manufacturer's total input rating in watts) divided by (12X1000).</p> <p>2. Facilities Charge - The books of the Cooperative shall accurately reflect the Cooperative's total investment in facilities for each individual, agency or organization receiving service under this tariff. The monthly facilities charge shall be 1.4027 percent of the total investment in these special facilities</p> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in KAR 5:056.</p>	<p>(1)</p>

DATE OF ISSUE: August 19, 2010

DATE EFFECTIVE: January 7, 2011

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Name of Officer

TITLE President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2010-00181

Dated _____

Debbie Martin
President & CEO
Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065

Honorable Donald T Prather
Attorney At Law
Mathis, Riggs & Prather, P.S.C. Attorneys at Law
P. O. Box 1059
500 Main Street, Suite 5
Shelbyville, KY 40066-1059